

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2013

Docket No. ACR2013

CHAIRMAN'S INFORMATION REQUEST NO. 10

(Issued February 21, 2014)

To clarify the basis of the Postal Service's estimates in its FY 2013 Annual Compliance Report (ACR), filed December 27, 2013, the Postal Service is requested to provide written responses to the following questions. Answers should be provided to individual questions as soon as they are developed, but no later than March 3, 2014.

**Annual Performance Report and Plan**

1. On page 38 of the United States Postal Service 2013 Annual Report to Congress (2013 Annual Report), located at USPS-FY13-17, the Postal Service notes that the "customer experience" goal is measured by national surveys of residential and small/medium business owners. The Customer Experience Measurement (CEM) Surveys in USPS-FY13-38 include a survey for large commercial businesses (those businesses with more than 250 employees). However, on page 39 of the 2013 Annual Report, there are no specific data or targets listed in the "Customer experience" section of the "Corporatewide goals, measures, results and targets" table for the large commercial business customers. How does the Postal Service measure and assess its "customer experience" performance for large commercial business customers? Please include in your response data sources used, calculation methodology, and target level of Postal Service performance as a "tangible, measureable objective, against which actual achievements are compared...." See 39 U.S.C. § 2801(3).

2. On page 54 of the 2013 Annual Report, the Postal Service states that the “Total Factor Productivity declined in 2008 and 2009 as mail volume declined more rapidly than the Postal Service could adjust. Since that time the projections have been more accurate and timely adjustments have been made.”
  - (a) How are the current projections more accurate than the earlier projections?
  - (b) What timely adjustments were made?
3. Footnote 4 on page 39 of the 2013 Annual Report states that the CEM indicator is part of the National Performance Assessment computed as an index of survey questions.
  - (a) Please indicate which CEM survey questions were used to create the CEM indicator. Include in your response the summary statistics of the employee responses to each question from each survey used. In addition, explain how the index of 78.4 was calculated.
  - (b) Please refer to page 39 of the FY 2012 Comprehensive Statement on Postal Operations (FY 2012 Comprehensive Statement), located at USPS-FY12-17. Is the “overall customer experience score(%) (National Performance Assessment index)” directly comparable to the CEM indicator shown on page 39 of the 2013 Annual Report? If not, please explain assumptions and calculation differences between the two measurements.
  - (c) Is the FY 2013 indicator methodology more accurate than the survey response percent used in the past? If so, how?
4. Page 50 of the 2013 Annual Report states that “One key measure of a customer’s retail experience is wait time in line.” It notes that, “[f]or FY2013, the final national Wait Time in Line average was 2:29 versus the previous year of

2:34, an improvement of 5 seconds.” From the description on page 50, it appears this “national” estimate is only for large retail outlets.

- (a) How does the Postal Service measure the customer’s wait time in line retail experience at smaller retail facilities?
  - (b) The CEM surveys contain a question related to wait time in line: “During your most recent visit to the Post Office, how long did you wait in line for a clerk?” Please show and compare results from the Retail Customer Experience (RCE) program versus the results from the CEM wait time in line question.
  - (c) Please explain any differences that exist in the “customer retail experience” wait time results between the CEM surveys and the RCE program.
  - (d) Can the CEM survey data provide an accurate national estimate of all retail outlets wait time in line (rather than only large retail outlets as obtained through the RCE program)? Please discuss.
5. The Voice of the Employee (VOE) survey is a performance indicator for achieving the Postal Service’s performance goal of “Improve Safety and Employee Engagement.”
- (a) Please provide a copy of the FY 2013 VOE survey form.
  - (b) Please provide the summary statistics of the employee responses to each question.
6. Page 39 of the FY 2012 Comprehensive Statement included a chart of “Cross-Portfolio Performance Metrics.” To facilitate year-to-year performance review, please provide the same performance metrics for FY 2013.
7. On page 42 of the 2013 Annual Report, the Postal Service states that the primary reason the “Deliveries per Hour” goal was not met because the “volume was significantly higher in FY2013 than we planned at the start of the year.” The

table on page 33 of the 2013 Annual Report shows that the total number of mail pieces decreased between FY 2012 and FY 2013. For the deliveries per hour measure, please provide electronic spreadsheets showing the calculation including the source of the volumes and delivery points used in the numerator, and the workhours used in the denominator.

8. The Postal Service explains on page 42 of its 2013 Annual Report that other things contributed to the “Deliveries per Hour” target not being met, including “limiting to voluntary our centralization of business deliveries.” Page 54 of the 2013 Annual Report notes that to improve delivery efficiency, the Postal Service converted 43,333 business and 36,302 residential deliveries to centralized deliveries.
  - (a) What percentage of new delivery points for businesses and residences were centralized deliveries in FY 2013?
  - (b) USPS-FY13-33, DeliveryPointsFY2013.xls, “Other” worksheet, shows that there were 4,756,004 door-to-door residential delivery points in the Pacific region at the beginning of FY 2013. The same worksheet also shows that by the end of the FY 2013, the number had increased to 4,767,225. Please discuss the factors that contributed to this increase.
9. On page 39 of the 2013 Annual Report, the Postal Service includes two new service performance goals for FY 2014: “First-Class Composite” and “Standard Composite.” Footnote 1 describes the First-Class composite as an aggregate of Single-Piece First-Class Mail and Commercial First-Class Mail.
  - (a) Is the new “First-Class Composite” service performance measure an aggregate of single-piece First-Class letters, cards, flats and Presorted letters/cards for overnight, two-day, and three-to-five day service standards obtained from the EXFC?

- (b) Please describe the components of the Standard Mail products aggregated for the new “Standard Composite” service performance measure.
- (c) Are parcels included in the Single-piece First-Class Mail service performance measurement? If so, please discuss the data source(s) used and the validity of the combined data, if the data sources differ.

By the Chairman.

Ruth Y. Goldway